



Reprinted  
March 4, 1999

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## HOUSE BILL No. 1969

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DIGEST OF HB 1969 (Updated March 3, 1999 4:28 pm - DI 51)

**Citations Affected:** IC 5-11; IC 36-3; IC 36-10; noncode.

**Synopsis:** Consolidated city audits. Requires the state board of accounts to audit the city of Indianapolis and the Marion County capital improvements board. Allows these entities to engage private examiners to perform an audit of the entities.

**Effective:** July 1, 1999.

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**Bardon, Porter**

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January 26, 1999, read first time and referred to Committee on Rules and Legislative Procedures.  
February 22, 1999, amended, reported — Do Pass.  
March 3, 1999, read second time, amended, ordered engrossed.

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HB 1969—LS 8134/DI 51+



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First Regular Session 111th General Assembly (1999)

PRINTING CODE. Amendments: Whenever an existing statute (or a section of the Indiana Constitution) is being amended, the text of the existing provision will appear in this style type, additions will appear in **this style type**, and deletions will appear in ~~this style type~~.

Additions: Whenever a new statutory provision is being enacted (or a new constitutional provision adopted), the text of the new provision will appear in **this style type**. Also, the word **NEW** will appear in that style type in the introductory clause of each SECTION that adds a new provision to the Indiana Code or the Indiana Constitution.

Conflict reconciliation: Text in a statute in *this style type* or ~~this style type~~ reconciles conflicts between statutes enacted by the 1998 General Assembly.

## HOUSE BILL No. 1969

A BILL FOR AN ACT to amend the Indiana Code concerning state and local administration.

*Be it enacted by the General Assembly of the State of Indiana:*

- 1 SECTION 1. IC 5-11-1-7 IS AMENDED TO READ AS FOLLOWS  
2 [EFFECTIVE JULY 1, 1999]: Sec. 7. (a) The state examiner shall  
3 appoint assistants not exceeding the number required to administer this  
4 article. The assistants are to be known as "field examiners" and are at  
5 all times subject to the order and direction of the state examiner. Field  
6 examiners shall inspect and examine accounts of all state agencies,  
7 municipalities, and other governmental units, entities, or  
8 instrumentalities.  
9 (b) The state examiner may engage or allow the engagement of  
10 private examiners to the extent the state examiner determines necessary  
11 to satisfy the requirements of this article. These examiners are subject  
12 to the direction of the state examiner while performing examinations  
13 under this article.  
14 (c) The state examiner may engage experts to assist the state board  
15 of accounts in carrying out its responsibilities under this article.  
16 (d) **In addition to any other examination conducted by a private**  
17 **examiner, the state examiner, personally or through the deputy**

HB 1969—LS 8134/DI 51+



1 examiners or field examiners, shall conduct the examinations  
2 required under this article for the following entities:

3 (1) A consolidated city or a department of a consolidated city.

4 (2) A capital improvement board established under  
5 IC 36-10-9.

6 SECTION 2. IC 36-3-4-24 IS AMENDED TO READ AS  
7 FOLLOWS [EFFECTIVE JULY 1, 1999]: Sec. 24. (a) For each  
8 department of the consolidated city, the city-county legislative body  
9 shall establish a standing committee, having at least three (3) members,  
10 to investigate the policies and expenditures of the department.

11 (b) The legislative body or its committee may:

12 (1) hire an internal auditor, an independent certified public  
13 accountant, or both to examine the books and records of the  
14 consolidated city, any of its special service districts or special  
15 taxing districts, and the county;

16 (2) investigate any charges against a department, officer, or  
17 employee of the consolidated city, or any of its special service  
18 districts or special taxing districts, or the county; and

19 (3) investigate the affairs of a person with whom a city or county  
20 agency has entered or is about to enter into a contract.

21 **In addition to the examinations conducted by a private examiner**  
22 **under this section, the state board of accounts shall conduct**  
23 **examinations of the books and records of the consolidated city and**  
24 **its departments under IC 5-11-1.**

25 (c) When conducting an investigation under this section, the  
26 legislative body or its committee:

27 (1) is entitled to access to all records pertaining to the  
28 investigation; and

29 (2) may compel the attendance of witnesses and the production of  
30 evidence by subpoena and attachment served and executed in the  
31 county.

32 ~~(c)~~ (d) If a person refuses to testify or produce evidence at an  
33 investigation conducted under this section, the legislative body may  
34 order its clerk to immediately present to the circuit court of the county,  
35 a written report of the facts relating to the refusal. The court shall hear  
36 all questions relating to the refusal to testify or produce evidence, and  
37 shall also hear any new evidence not included in the clerk's report. If  
38 the court finds that the testimony or evidence sought should be given  
39 or produced, it shall order the person to testify or produce evidence, or  
40 both.

41 SECTION 3. IC 36-10-9-9 IS AMENDED TO READ AS  
42 FOLLOWS [EFFECTIVE JULY 1, 1999]: Sec. 9. (a) The treasurer of



1 the board is the official custodian of all funds and assets of the board  
2 and is responsible for their safeguarding and accounting. He shall give  
3 bond for the faithful performance and discharge of all duties required  
4 of him by law in the amount and with surety and other conditions that  
5 may be prescribed and approved by the board. All funds and assets in  
6 the capital improvement fund and the capital improvement bond fund  
7 created by this chapter and all other funds, assets, and tax revenues  
8 held, collected, or received by the treasurer of the county for the use of  
9 the board shall be promptly remitted and paid over by him to the  
10 treasurer of the board, who shall issue receipts for them.

11 (b) The treasurer of the board shall deposit all funds coming into his  
12 hands as required by this chapter and by IC 6-7-1-30.1, and in  
13 accordance with IC 5-13. Money so deposited may be invested and  
14 reinvested by the treasurer in accordance with general statutes relating  
15 to the investment of public funds and in securities that the board  
16 specifically directs. All interest and other income earned on  
17 investments becomes a part of the particular fund from which the  
18 money was invested, except as provided in a resolution, ordinance, or  
19 trust agreement providing for the issuance of bonds or notes. All funds  
20 invested in deposit accounts as provided in IC 5-13-9 must be insured  
21 under IC 5-13-12.

22 (c) The board shall appoint a controller to act as the auditor and  
23 assistant treasurer of the board. He shall serve as the official custodian  
24 of all books of account and other financial records of the board and has  
25 the same powers and duties as the treasurer of the board or the lesser  
26 powers and duties that the board prescribes. The controller, and any  
27 other employee or member of the board authorized to receive, collect,  
28 or expend money, shall give bond for the faithful performance and  
29 discharge of all duties required of him in the amount and with surety  
30 and other conditions that may be prescribed and approved by the board.  
31 He shall keep an accurate account of all money due the board and of all  
32 money received, invested, and disbursed in accordance with generally  
33 recognized governmental accounting principles and procedure. All  
34 accounting forms and records shall be prescribed or approved by the  
35 state board of accounts.

36 (d) The controller shall issue all warrants for the payment of money  
37 from the funds of the board in accordance with procedures prescribed  
38 by the board, but a warrant may not be issued for the payment of a  
39 claim until an itemized and verified statement of the claim has been  
40 filed with the controller, who may require evidence that all amounts  
41 claimed are justly due. All warrants shall be countersigned by the  
42 treasurer of the board or by the executive manager. Warrants may be



1 executed with facsimile signatures.

2 (e) If there are bonds or notes outstanding issued under this chapter,  
3 the controller shall deposit with the paying agent or other paying officer  
4 within a reasonable period before the date that any principal or interest  
5 becomes due sufficient money for the payment of the principal and  
6 interest on the due dates. The controller shall make the deposit with  
7 money from the sources provided in this chapter, and he shall make the  
8 deposit in an amount that, together with other money available for the  
9 payment of the principal and interest, is sufficient to make the payment.  
10 In addition, the controller shall make other deposits for the bonds and  
11 notes as is required by this chapter or by the resolutions, ordinances, or  
12 trust agreements under which the bonds or notes are issued.

13 (f) The controller shall submit to the board at least annually a report  
14 of his accounts exhibiting the revenues, receipts, and disbursements  
15 and the sources from which the revenues and receipts were derived and  
16 the purpose and manner in which they were disbursed. The board may  
17 require that the report be prepared by an independent certified public  
18 accountant designated by the board. The handling and expenditure of  
19 funds is subject to audit and supervision by the state board of accounts.  
20 **In addition to the examinations conducted by a private examiner**  
21 **under this chapter, the state board of accounts shall conduct**  
22 **examinations of the books and records of the board under**  
23 **IC 5-11-1.**

24 SECTION 4. [EFFECTIVE JULY 1, 1999] IC 5-11-1-7,  
25 IC 36-3-4-24, and IC 36-10-9-9, all as amended by this act, apply  
26 only to examinations and reports for the fiscal years for the  
27 affected entities beginning after December 31, 1999.

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## COMMITTEE REPORT

Mr. Speaker: Your Committee on Rules and Legislative Procedures, to which was referred House Bill 1969, has had the same under consideration and begs leave to report the same back to the House with the recommendation that said bill be amended as follows:

Page 1, line 9, delete "11" and insert "**24**".

Page 2, line 35, delete "authorized by".

Page 2, line 36, delete "another provision of law".

Page 5, line 7, delete "The" and insert "**Subject to IC 5-11-1-24**, the".

Page 5, line 9, delete "Subject to IC 5-11-1-24, the" and insert "The".

Page 5, line 12, after "1999]" insert "**IC 5-11-1-7**".

Page 5, line 14, after "and" insert "reports".

and when so amended that said bill do pass.

(Reference is to HB 1969 as introduced.)

MOSES, Chair

Committee Vote: yeas 9, nays 0.

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## HOUSE MOTION

Mr. Speaker: I move that House Bill 1969 be amended to read as follows:

Page 1, line 9, delete ", subject to section 24 of this".

Page 1, line 10, delete "chapter,".

Page 1, delete lines 16 through 17.

Page 2, delete lines 1 through 31, begin a new paragraph and insert:.

**"(d) In addition to any other examination conducted by a private examiner, the state examiner, personally or through the deputy examiners or field examiners, shall conduct the examinations required under this article for the following entities:".**

Page 2, delete lines 35 through 41.

Page 3, line 6, delete "subject to IC 5-11-1-24,".

Page 3, between lines 14 and 15, begin a new line blocked left and insert:

**"In addition to the examinations conducted by a private examiner under this section, the state board of accounts shall conduct examinations of the books and records of the consolidated city and its departments under IC 5-11-1."**

Page 5, line 6, delete "Subject to".

Page 5, line 7, delete "IC 5-11-1-24, the" and insert "The".

Page 5, line 10, after "accounts." insert **"In addition to the examinations conducted by a private examiner under this chapter, the state board of accounts shall conduct examinations of the books and records of the board under IC 5-11-1."**

Page 5, line 12, delete "IC 5-11-1-24,".

Renumber all SECTIONS consecutively.

(Reference is to HB 1969 as printed February 23, 1999.)

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